

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2005
 (REVISED MAY 2006 FOR BANK OF ND FEE ERROR)

	June-05				March-05				December-04				September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	FYTD Net	FY04 Net	Ended 6/30/2005 Net	Ended 6/30/2005 Net
LARGE CAP DOMESTIC EQUITY																				
<i>Structured Growth</i>																				
Los Angeles Capital	74,298	2.8%	2.8%	2.80%	83,838	2.2%	2.3%	-1.11%	86,394	2.2%	2.3%	10.37%	81,984	2.2%	2.3%	-4.14%	7.56%	N/A	N/A	N/A
Total Structured Growth	74,298	2.8%	2.8%	2.80%	83,838	2.2%	2.3%	-1.11%	86,394	2.2%	2.3%	10.37%	81,984	2.2%	2.3%	-4.14%	7.56%	17.58%	7.46%	-9.18%
Russell 1000 Growth				2.46%				-4.09%				9.17%				-5.23%	1.68%	17.88%	7.26%	-10.36%
<i>Structured Value</i>																				
LSV	75,099	2.9%	2.8%	3.58%	92,754	2.4%	2.3%	1.60%	93,033	2.4%	2.3%	8.99%	89,406	2.4%	2.3%	3.19%	18.35%	30.56%	14.73%	14.78%
Russell 1000 Value				1.67%				0.09%				10.38%				1.54%	14.06%	21.13%	11.00%	6.55%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	147,012	5.6%	5.6%	1.52%	176,957	4.6%	4.5%	-1.04%	182,231	4.7%	4.5%	9.28%	174,651	4.6%	4.5%	-1.69%	7.93%	N/A	N/A	N/A
Russell 1000				2.05%				-1.91%				9.80%				-1.81%	7.92%	N/A	N/A	N/A
<i>S&P 500 Enhanced Index</i>																				
Westridge	146,203	5.6%	5.6%	1.44%	170,146	4.4%	4.5%	-2.07%	177,077	4.6%	4.5%	9.47%	169,705	4.5%	4.5%	-1.99%	6.58%	N/A	N/A	N/A
S&P 500				1.37%				-2.15%				9.23%				-1.87%	6.32%	N/A	N/A	N/A
<i>Index</i>																				
State Street	48,465			1.35%	51,143			-2.15%	53,266			9.22%	51,081			-1.89%	6.27%	19.01%	8.22%	-2.45%
Total Index	48,465	1.8%	1.9%	1.35%	51,143	1.3%	1.5%	-2.15%	53,266	1.4%	1.5%	9.22%	51,081	1.3%	1.5%	-1.89%	6.27%	19.01%	8.22%	-2.45%
S&P 500				1.37%				-2.15%				9.23%				-1.87%	6.32%	19.11%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	491,077	18.7%	18.8%	1.99%	574,838	14.9%	15.0%	-1.04%	592,001	15.2%	15.0%	9.45%	566,826	14.9%	15.0%	-1.43%	8.89%	21.46%	9.59%	-0.28%
S&P 500				1.37%				-2.15%				9.23%				-1.87%	6.32%	19.11%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY																				
<i>Manager-of-Managers</i>																				
SEI	170,482	6.5%	6.3%	4.24%	189,205	4.9%	5.0%	-5.14%	199,830	5.1%	5.0%	14.74%	187,008	4.9%	5.0%	-3.64%	9.32%	32.99%	13.32%	N/A
Russell 2000 + 200bp				4.83%				-4.86%				14.64%				-2.36%	11.64%	35.99%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	170,482	6.5%	6.3%	4.24%	189,205	4.9%	5.0%	-5.14%	199,830	5.1%	5.0%	14.74%	187,008	4.9%	5.0%	-3.64%	9.32%	32.99%	13.32%	5.50%
Russell 2000				4.32%				-5.34%				14.09%				-2.86%	9.45%	33.36%	12.81%	5.71%
CONVERTIBLES																				
TCW	-	0.0%	0.0%	N/A	381,335	9.9%	10.0%	-4.04%	397,368	10.2%	10.0%	8.39%	366,600	9.6%	10.0%	-4.37%	N/A	17.50%	N/A	N/A
Merrill Lynch All Convertibles				0.00%				-4.67%				5.37%				-1.05%	N/A	14.16%	N/A	N/A
INTERNATIONAL EQUITY																				
<i>Large Cap - Active</i>																				
Capital Guardian	107,237	4.1%	4.0%	1.21%	150,899	3.9%	4.0%	0.93%	156,972	4.0%	4.0%	9.98%	296,674	7.8%	8.0%	-1.80%	10.32%	25.36%	7.44%	-3.80%
LSV	109,049	4.2%	4.0%	2.65%	156,300	4.1%	4.0%	3.70%	158,007	4.1%	4.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	0	0.0%	0.0%	N/A	1	0.0%	0.0%	N/A	(45)	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Large Cap - Active	216,285	8.3%	8.0%	1.93%	307,199	8.0%	8.0%	2.32%	314,934	8.1%	8.0%	10.56%	296,674	7.8%	8.0%	-1.80%	13.23%	25.36%	12.39%	7.26%
MSCI EAFE - 50% Hedged				1.97%				1.71%				11.11%				-0.72%	14.41%	26.98%	8.84%	-2.61%
<i>Small Cap - Value</i>																				
Lazard	26,379	1.0%	1.0%	-1.54%	37,736	1.0%	1.0%	3.09%	44,279	1.1%	1.0%	16.08%	39,858	1.0%	1.0%	0.30%	18.18%	43.71%	N/A	N/A
Citigroup Broad Market Index < \$2BN				0.14%				4.58%				16.82%				-0.82%	21.33%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>																				
Vanguard	26,565	1.0%	1.0%	0.94%	36,564	1.0%	1.0%	2.92%	43,115	1.1%	1.0%	18.98%	37,867	1.0%	1.0%	0.42%	24.11%	44.67%	N/A	N/A
Citigroup Broad Market Index < \$2BN				0.14%				4.58%				16.82%				-0.82%	21.33%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	269,229	10.3%	10.0%	1.42%	381,499	9.9%	10.0%	2.45%	402,328	10.4%	10.0%	12.53%	374,399	9.8%	10.0%	-1.35%	15.34%	29.26%	10.62%	-2.10%
MSCI EAFE - 50% Hedged				1.97%				1.71%				11.11%				-0.72%	14.41%	26.98%	8.84%	-2.61%
DOMESTIC FIXED INCOME																				
<i>Core Bond</i>																				
Western Asset	491,350	18.8%	18.3%	3.01%	713,049	18.5%	16.7%	-0.84%	680,741	17.5%	16.7%	1.34%	687,449	18.1%	16.7%	3.51%	7.14%	2.42%	7.36%	8.59%
Lehman Aggregate				3.01%				-0.48%				0.96%				3.20%	6.80%	0.32%	5.75%	7.40%
<i>Index</i>																				
Bank of ND	454,712	17.4%	18.3%	2.39%	842,367	21.9%	25.0%	-0.78%	858,329	22.1%	25.0%	0.40%	865,114	22.8%	25.0%	2.54%	4.59%	0.07%	5.83%	7.36%
Lehman Intermediate Gov/Credit (1)				2.48%				-0.87%				0.44%				2.71%	4.80%	-0.05%	5.82%	7.35%
<i>BBB Average Quality</i>																				
Wells Capital (formerly Strong)	488,946	18.7%	18.3%	3.26%	373,964	9.7%	8.3%	-1.15%	382,889	9.9%	8.3%	2.30%	385,414	10.1%	8.3%	4.51%	9.14%	1.18%	9.20%	N/A
Lehman US Credit BAA				3.57%				-1.57%				1.69%				4.76%	8.60%	1.96%	9.42%	N/A
TOTAL DOMESTIC FIXED INCOME	1,435,007	54.8%	55.0%	2.78%	1,929,381	50.2%	50.0%	-0.88%	1,921,958	49.5%	50.0%	1.11%	1,937,978	51.0%	50.0%	3.27%	6.38%	0.79%	7.00%	7.45%
Lehman Gov/Credit				3.44%				-0.67%				0.80%				3.56%	7.26%	-0.72%	6.41%	7.70%
CASH EQUIVALENTS																				
<i>Bank of ND</i>																				
90 Day T-Bill	254,366	9.7%	10.0%	0.78%	389,026	10.1%	10.0%	0.69%	369,250	9.5%	10.0%	0.53%	368,196	9.7%	10.0%	0.44%	2.46%	1.20%	1.74%	2.68%
				0.72%				0.57%				0.48%				0.37%	2.15%	0.98%	1.55%	2.62%
TOTAL BONDING FUND	2,620,161	100.0%	100.0%	2.01%	3,845,284	100.0%	100.0%	-0.93%	3,882,734	100.0%	100.0%	4.78%	3,801,006	100.0%	100.0%	0.69%	6.62%	9.88%	8.00%	4.21%
POLICY TARGET BENCHMARK				2.45%				-1.16%				4.14%				1.22%	6.74%	8.00%	7.33%	4.24%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.